ADVANCE SCT LIMITED
(Company Registration Number: 200404283C)

PROPOSED PLACEMENT OF UP TO 1,700,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF ADVANCE SCT LIMITED AT A PLACEMENT PRICE OF S$0.0019 FOR EACH PLACEMENT SHARE

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1. INTRODUCTION

1.1 The Board of Directors (the "**Board**" or "**Directors**") of Advance SCT Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 19 June 2014 entered into a placement agreement (the "**Placement Agreement**") with Lim & Tan Securities Pte Ltd as the placement agent (the "**Placement Agent**"). Pursuant to the Placement Agreement, the Company has agreed to allot and issue up to 1,700,000,000 new ordinary shares in the capital of the Company (the "**Placement Shares**" and each a "**Placement Share**") at an issue price of S$0.0019 (the "**Placement Price**") for each Placement Share (the "**Placement**") and the Placement Agent has agreed, on a best endeavours basis, to procure subscribers for the Placement Shares at the Placement Price on the terms and subject to the conditions of the Placement Agreement.

1.2 The Placement will not be underwritten.

2. THE PLACEMENT SHARES AND THE PLACEMENT PRICE

2.1 The Placement Shares, when issued and fully paid, shall be free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with the ordinary shares (the "**Shares**") existing as at the date of issue of the Placement Shares save that they will not rank for any dividends, rights, allotments or other distributions, the record date in respect of which falls on or prior to the date of completion of the allotment and issue of the Placement Shares.

2.2 The Placement Shares will be issued pursuant to the authority granted by shareholders of the Company by way of an ordinary resolution at the annual general meeting of the Company held on 30 April 2014 (the "**2014 AGM**") for the issue of Shares not exceeding 50% of the total number of issued Shares (excluding treasury shares) in the capital of the Company at the date of the grant, of which the aggregate number of Shares to be issued other than on a pro-rata basis to all existing shareholders of the Company does not exceed 20% of the total number of issued Shares (excluding treasury shares) in the capital of the Company at the date of the grant (the "**Share Issue Mandate**").

2.3 No Shares had previously been issued pursuant to the Share Issue Mandate and the aggregate Placement Shares represent approximately 20% of the issued and paid-up share capital of the Company of 8,505,065,951 Shares at the time the approval for the Share Issue Mandate was granted. Accordingly, the proposed allotment and issue of up to 1,700,000,000 Placement Shares is within the limit of the Share Issue Mandate obtained at the 2014 AGM.

2.4 Assuming all the Placement Shares are placed out, the Company's issued and paid-up share capital will increase from 10,772,398,210 Shares as at the date of this announcement to 12,472,398,210 Shares. The Placement Shares represent approximately 15.8% of the existing issued and paid-up share capital of the Company as at the date of this announcement, and approximately 13.6% of the enlarged issued and paid-up share capital of the Company following completion of the Placement.

2.5 The Placement Price represents a discount of approximately 5% to the weighted average price of S$0.002 for each Share, based on trades done on Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the full market day on 19 June 2014 (being the full market day on which the Placement Agreement was signed). The discount of 5% is within the 10% discount limit as stated in Rule 811(1) of the Listing Manual.

2.6 As at the date of this announcement, the Company does not know the identities of and/or the allocation of Placement Shares to, or have any further information on the subscribers to be procured by the Placement Agent under the Placement.

2.7 The Company will not place any of the Placement Shares to any person who is a Director or a substantial shareholder of the Company, or any other person falling within the categories set out in Rule 812(1) of the Listing Manual. The Placement would not result in any transfer of controlling interest in the Company.

3. CONDITIONS OF THE PLACEMENT

The Placement is conditional upon, *inter alia*, the following:-

(a) the approval in-principle of the SGX-ST being obtained (and not revoked or amended as at the Completion Date) for the Placement, including the listing and quotation of the Placement Shares to be allotted and issued pursuant thereto, and where such approval is subject to any conditions, such conditions being acceptable to the Placement Agent, and where such conditions are required to be fulfilled on or before the Completion Date, such conditions having been so fulfilled;

(b) the approval of the Company's shareholders being obtained for the Placement (including the issuance of New Shares pursuant thereto) and the said approval being in full force and effect on the Completion Date; and

(c) the delivery of the Completion Certificate by the Company to the Placement Agent on the Completion Date.

4. PURPOSE AND USE OF PROCEEDS

Assuming that all the Placement Shares are placed out, the estimated net proceeds from the Placement (the "**Net Proceeds**") will be approximately S$3,141,000 (after deducting expenses of approximately S$89,000 incurred by the Company in connection with the Placement).

The Company intends to use the Net Proceeds as follows:-

(a) Approximately S$2,200,000 or about 70% of the Net Proceeds will be used to fund the growth of the Group's operations, including expansion in production facilities, investments in new capabilities and businesses.

(b) Approximately S$941,000 or about 30% of the Net Proceeds will be used to provide general working capital for productions and operations, and improve current premises and facilities.

Pending the deployment of the Net Proceeds for the purposes mentioned above, the Net Proceeds may be placed in deposits with financial institutions or invested in short-term money market instruments or used for any other purposes on a short-term basis as the Directors may in their absolute discretion deem fit in the interest of the Company.

The Company will make periodic announcements on the utilization of the Net Proceeds as and when the Net Proceeds are materially disbursed, and will provide a status report on the use of the Net Proceeds in the Company's interim and full-year financial statements issued under Chapter 7 of the Listing Manual and the Company's annual report.

5. FINANCIAL EFFECTS OF THE PLACEMENT

The financial effects of the Placement on the Group are set forth below and were prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2013 ("**FY2013**"), subject to the following assumptions:

(a) the Placement Shares are fully placed out;

(b) the expenses incurred by the Company in connection with the Placement are approximately S$89,000;

(c) for the purpose of computing the earnings per share of the Group after the Placement, it is assumed that the Placement was completed on 1 January 2013 (being the beginning of the most recently completed financial period); and

(d) for the purpose of calculating the net asset value per share after the Placement, it is assumed that the Placement was completed on 31 December 2013 (being the end of the most recently completed financial period).

	Before the Placement	**After the Placement**
Earnings per share for FY2013	-0.18 cents	-0.12 cents
Net asset value per share as at 31 December 2013	-0.06 cents	-0.01 cents

It should be noted that the abovementioned financial effects have been calculated for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after completion of the Placement.

6. ADDITIONAL LISTING APPLICATION

The Company will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST for the listing of and quotation for the Placement Shares on the SGX-ST.

7. CONFIRMATION BY THE DIRECTORS

7.1 The Directors are of the opinion that after taking into consideration the Group's present internal resources, operating cashflows and present bank facilities available to the Group, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the above, the Placement is to provide funds for the purposes as described under paragraph 4 of this announcement.

7.2 The Directors are of the opinion that, after taking into consideration, the Group's present internal resources, operating cashflows, present bank facilities available to the Group and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors nor (in so far as the Directors are aware) any substantial shareholders of the Company or their respective associates have any interest, whether direct or indirect, in the Placement. In view of the Placement, shareholders of the Company and potential investors should exercise caution when trading in the shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax or other advisors.

By Order of the Board
Advance SCT Limited

Song Tang Yih
Executive Director and President
19 June 2014